

AGENCY STRATEGIC PLAN

FOR THE FISCAL YEARS

2005-2009



ARKANSAS PUBLIC SERVICE COMMISSION

FUNCTIONAL AREA: ECONOMIC DEVELOPMENT

AGENCY STRATEGIC PLAN APPROVAL FORM

FOR THE FISCAL YEARS

2005-2009

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STRATEGIC PLAN

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| Agency Name | Arkansas Public Service Commission |
| Agency Mission Statement: The Arkansas Public Service Commission will be a proactive, solutions-oriented agency that maximizes customer value and enhances the economic environment of the state by: ensuring safe, reliable and reasonably-priced utility service; educating customers to make independent and informed choices; and ensuring the fair and equitable ad valorem assessment and equalization of public utility and carrier property. | |

AGENCY GOAL 1:

Regulate all jurisdictional utility services and functions in an effective and innovative manner while ensuring appropriate customer safeguards.

AGENCY GOAL 2:

Establish an open dialogue with the public through the use of technology, media, community outreach, and customer groups and be a knowledgeable and trusted source of information.

AGENCY GOAL 3:

Provide leadership in developing and advocating responsible, balanced and innovative utility policies and initiatives for Arkansas.

AGENCY GOAL 4:

Provide a professional workplace in which all employees understand, are committed to and are empowered to accomplish the agency's goals.

AGENCY GOAL 5:

Efficiently and effectively render valuations of utility and carrier property for the purpose of ad valorem assessments..

STRATEGIC PLAN

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| Agency Name | | Arkansas Public Service Commission |
| Program | | Utilities Division |
| Program Authorization | | Arkansas Code Annotated (1987), Title 23 |
| Program Definition: Funds-Center Code: <u>0450P01</u> | | Through the utilities division, the Commission ensures that each public utility charges rates that will allow it the opportunity to earn a fair return on invested capital and that utility customers do not pay more than necessary to produce a fair return to the utility for utility service. The utilities division is responsible for evaluating public utilities’ rates and quality of service and has staff members with expertise in electric, telecommunications, gas, and water utility industry issues. |
| AGENCY GOALS | 1-4 | |
| Anticipated Funding Sources for the Program: | | Special Revenue |

GOAL 1:

Effectively regulate utility rates and quality of service, provide assistance to customers in resolving utility related questions and complaints, and provide accurate information to the public regarding utility issues.

OBJECTIVE 1: (Sub-Fund Center Code to be assigned by DFA – Accounting)

Ensure adequate availability of safe and reliable utility services at just and reasonable rates for all customers while providing the opportunity for regulated utilities to earn a fair rate of return, in accordance with applicable law, statutory authority, rules, regulations, and industry standards.

STRATEGY 1:

Address all utility applications; monitor the regulated rates and earnings of each jurisdictional utility; evaluate and act on utility matters before Federal regulatory agencies and the United States Congress; and develop and implement creative solutions and approaches to utility regulation and policy including recommendations for legislative action.

STRATEGY 2:

Ensure that the jurisdictional utilities are meeting the established standards for quality of service including determining whether the measures used to assess the technical quality of service are adequate and appropriate.

STRATEGIC PLAN

OBJECTIVE 2:

Assist customers in resolving utility related questions and complaints, and implement a community outreach plan.

STRATEGY 1:

Respond to customer and public official inquiries including assisting customers and public officials in resolving questions and complaints regarding utility service.

STRATEGY 2:

Implement a community outreach plan to provide information to utility customers and public officials across the state regarding utility industry issues.

STRATEGIC PLAN

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| Agency Name | Arkansas Public Service Commission |
| Program | Utilities Division |

PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

| DESCRIPTION | METHODS AND SOURCES USED OBTAINING DATA | FISCAL YEAR 2005 | FISCAL YEAR 2006 | FISCAL YEAR 2007 | FISCAL YEAR 2008 | FISCAL YEAR 2009 |
|--|--|------------------|------------------|------------------|------------------|------------------|
| Percentage of rate cases completed within the statutory timeframe. Goal 1, Objective 1 | Agency databases. | 100% | 100% | 100% | 100% | 100% |
| Number of rural and community outreach meetings regarding utility industry issues per year. Goal 1, Objective 2 | Agency records. | 52 | 52 | 52 | 52 | 52 |
| Percentage of annual consumer calls regarding electric, gas, and water utilities processed within seven days. Goal 1, Objective 2 | Agency utility complaints database report. | 80% | 80% | 80% | 80% | 80% |
| Percentage of annual consumer calls regarding telecommunications utilities processed within 21 days. Goal 1, Objective 2 | Agency utility complaints database. | 80% | 80% | 80% | 80% | 80% |
| Percentage of annual written consumer utility complaints processed within 25 days. Goal 1, Objective 2 | Agency utility complaints database. | 80% | 80% | 80% | 80% | 80% |

STRATEGIC PLAN

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| Agency Name | | Arkansas Public Service Commission |
| Program | | Pipeline Safety Office |
| Program Authorization | | Arkansas Code Annotated (1987), § 23-15-201 et. seq. U.S. Department of Transportation – Office of Pipeline Safety, Pipeline Safety Regulations |
| Program Definition: Funds-Center Code: <u>0450P02</u> | | Pursuant to an agreement with the U.S. Department of Transportation and the authority granted by the Arkansas Natural Gas Pipeline Safety Act of 1971, the Commission's Pipeline Safety Office inspects intrastate natural gas pipelines and master metered gas systems for compliance with the Arkansas Gas Pipeline Code regarding construction, operation, maintenance, gas leakage, and the control of corrosion. |
| AGENCY GOALS | 1-4 | |
| Anticipated Funding Sources for the Program: | | Special Revenue with 50% Federal Funds reimbursement from the United States Department of Transportation |

GOAL 1:

Ensure that pipeline companies and master metered gas systems operate safely.

OBJECTIVE 1:

Enforce the Arkansas Gas Pipeline Safety Code, including continually assessing the adequacy of the Code to appropriately measure safety and reliability of pipeline operations.

STRATEGY 1:

Ensure that each jurisdictional gas pipeline company's and master metered gas system's performance complies with the Arkansas Gas Pipeline Safety Code by conducting periodic inspections as required under the law. Periodically evaluate the Arkansas Gas Pipeline Safety Code considering ongoing industry analyses and customer feedback and recommend appropriate modifications to ensure that the standards require safe and reliable operations.

STRATEGIC PLAN

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| Agency Name | Arkansas Public Service Commission |
| Program | Pipeline Safety Office |

PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

| DESCRIPTION | METHODS AND SOURCES USED OBTAINING DATA | FISCAL YEAR 2005 | FISCAL YEAR 2006 | FISCAL YEAR 2007 | FISCAL YEAR 2008 | FISCAL YEAR 2009 |
|---|---|---|---|---|---|---|
| Number of inspection man-days per year as defined by the U.S. Department of Transportation achieved by each pipeline inspector. Goal 1, Objective 1. | Internal agency PLS database. | 85 inspection days per inspector | 85 inspection days per inspector | 85 inspection days per inspector | 85 inspection days per inspector | 85 inspectiond ays per inspector |

STRATEGIC PLAN

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| Agency Name | | Arkansas Public Service Commission |
| Program | | Tax Division |
| Program Authorization | | Arkansas Code Annotated (1987), § 26-26-1601 et. seq. |
| Program Definition: Funds-Center Code: <u>0450P03</u> | | The Tax Division determines the assessed property value of utilities and carriers operating in Arkansas. The assessed values determined by the Tax Division are used to calculate the property taxes billed to utilities and carriers. The assessed value of the electric, gas, telecommunications, cable television companies, and railroads is reported to the county assessors where the property of the utilities and railroads is located for placement on the tax rolls of the appropriate counties. The assessed value of the motor carriers, barge lines and airlines is certified to the Department of Finance and Administration for collection of the property tax. |
| AGENCY GOAL | 5 | |
| Anticipated Funding Sources for the Program: | | Special Revenue |

GOAL 1:

Efficiently and effectively render valuations of utility and carrier property for the purpose of ad valorem assessments..

OBJECTIVE 1:

Ensure fair and equitable valuations of the property of utilities, railroads, airlines, barge lines and motor carriers operating in the state of Arkansas.

STRATEGY 1:

Establish a fair market value for the property of the utilities, railroads, airlines, barge lines and motor carriers in compliance with the statutory guidelines for ad valorem assessments.

STRATEGY 2:

Submit the assessed values to the Arkansas Public Service Commission and the Arkansas Highway Commission for approval in compliance with statutory guidelines.

STRATEGY 3:

Provide accurate and timely certification of all the utility and railroad property assigned or apportioned to each county to the appropriate county and school officials to allow the counties to bill and collect property taxes on the utility and railroad property.

STRATEGIC PLAN

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| Agency Name | Arkansas Public Service Commission |
| Program | Tax Division |

PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

| DESCRIPTION | METHODS AND SOURCES USED OBTAINING DATA | FISCAL YEAR 2005 | FISCAL YEAR 2006 | FISCAL YEAR 2007 | FISCAL YEAR 2008 | FISCAL YEAR 2009 |
|--|---|------------------|------------------|------------------|------------------|------------------|
| Process Annual Reports and perform valuation of utility and carrier property from information submitted by utilities and carriers. Goal 1, Objective 1. | Internal logs. | 75% | 80% | 82% | 84% | 86% |
| Submit assessed values to Public Service and Highway Commissions for approval in accordance with statutes. Goal 1, Objective 1. | Internal logs. | 100% | 100% | 100% | 100% | 100% |
| Certify utility and railroad assessed values to counties for addition to tax rolls. Goal 1, Objective 1. | Internal logs. | 80% | 82% | 84% | 86% | 88% |
| Certify Motor Carrier and Air Line assessed values to Department of Finance and Administration for billing and collection of ad valorem taxes. Goal 1, Objective 1. | Internal logs | 80% | 82% | 84% | 86% | 88% |

STRATEGIC PLAN

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| Agency Name | | Arkansas Public Service Commission |
| Program | | Administrative Support |
| Program Authorization | | Arkansas Code Annotated (1987), Title 23 |
| Program Definition: Funds-Center Code: <u>0450P04</u> | | The Secretary of the Commission, the Office of Information Technology, and the Administrative Services Section provide support for all agency operations. The Secretary of the Commission maintains all official Commission records. The Office of Information Technology maintains all electronic systems to support Commission operations. The Administrative Services Section provides fiscal, personnel, and other administrative support to the agency. |
| AGENCY GOALS | 1-4 | |
| Anticipated Funding Sources for the Program: | | Special Revenue |

GOAL 1:

Provide administrative support to enable all agency operations to perform efficiently and effectively.

OBJECTIVE 1:

Administer the agency's financial, technical, and personnel resources to facilitate efficient and effective operation.

STRATEGY 1:

Accurately and efficiently perform all fiscal responsibilities, including timely and accurate utility assessments for operating funds for the Utilities and Pipeline Safety Programs.

STRATEGY 2:

Provide adequate information systems, computer hardware, and software applications to support agency operations and provide information to the public.

STRATEGY 3:

Provide information and training to equip employees to perform their duties and support agency operations.

STRATEGY 4:

Use contingency appropriation when authorized to support Utilities Program.

STRATEGIC PLAN

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| Agency Name | Arkansas Public Service Commission |
| Program | Administrative Support |

PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

| DESCRIPTION | METHODS AND SOURCES USED OBTAINING DATA | FISCAL YEAR 2005 | FISCAL YEAR 2006 | FISCAL YEAR 2007 | FISCAL YEAR 2008 | FISCAL YEAR 2009 |
|--|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| PSC assessments presented to utilities in compliance with statutory requirements. Goal 1, Objective 1. | Internal agency database | 100% | 100% | 100% | 100% | 100% |
| Number of prior year audit findings repeated in subsequent audit. Goal 1, Objective 1 | Comparison of current year's audit report to those of previous years. | 0% | 0% | 0% | 0% | 0% |
| Network servers available 24/7 excluding commercial power loss more than 48 hours in duration. Goal 1, Objective 1. | Internal agency computer logs. | 95% | 97% | 97% | 97% | 97% |
| Percent of docket filings entered on agency external website (efilings) within 24 workhours. Goal 1, Objective 1. | Internal agency database | 97% | 97% | 97% | 97% | 97% |